PROVINCE OF SASKATCHEWAN

10-11

ANNUAL REPORT

**MINISTRY OF
GOVERNMENT SERVICES**

Table of Contents

This annual report is also available in PDF format from the Ministry's web site at **www.gs.gov.sk.ca**.

Letters of Transmittal

His Honour the Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Annual Report for the Ministry of Government Services for the fiscal year ending March 31, 2011.

Government Services plays a vital role in providing services to other Ministries to support their missions to serve the people of Saskatchewan. It also supports the Government's commitment to increased transparency and accountability, to honour commitments made to the people of Saskatchewan, and to manage expenditures responsibly.

As part of its mission, Government Services is taking a leadership role in supporting the Government's goal to manage its environmental footprint and creating a sustainable environment. In the past year the Ministry has significantly reduced the number of vehicles in the vehicle pool used by all Ministries, and successfully completed a pilot vehicle right-sizing initiative to provide the right vehicle for the job assigned to it, that will be implemented across Government in the future.

Government Services achieved significant energy savings by implementing day cleaning (using environmentally-friendly cleaning products) in several of its office buildings. New standards and more efficient space layouts and furnishings have reduced the space footprint required for each employee.

The Ministry will continue managing its portfolio of buildings to reduce the environmental impact of their operations. This includes audits and retrofits to make existing buildings more energy-efficient, and design and construction of new buildings to achieve at least LEED (Leadership in Environmental and Energy Design) Silver certification. Government Services will also continue maintenance work in its buildings to bring its overall Facility Condition Index – an indicator used by facilities managers to measure the condition of a group of facilities – down to a 0.10 rating by 2018.

Government Services' 2010-11 Annual Report demonstrates the progress made toward achieving commitments the Government has made. The accomplishments outlined in this report also provide a foundation and point to the direction of its future plans and priorities.

Laura Ross
Minister of Government Services

Letters of Transmittal

The Honourable Laura Ross
Minister of Government Services

I have the honour of submitting the Annual Report for the Ministry of Government Services for the fiscal year ending March 31, 2011.

As Deputy Minister, I am responsible for the financial administration and management control of the Ministry of Government Services. As such, I hereby take responsibility for this report, and assure you that the information contained herein is accurate, complete and reliable.

Ron Dedman
Deputy Minister of Government Services

Introduction

This annual report presents the Ministry of Government Services' activities and results for the fiscal year ending March 31, 2011. It reports to the public and elected officials on public commitments made and other key accomplishments of the Ministry.

With the release of the Ministry Plan for 2010-11, results are provided on the publicly committed strategies, actions, and performance measures identified in the Plan. This report also demonstrates progress made on Government commitments as stated in the *Government Direction for 2010-11*, the Minister's Mandate letter, throne speeches, and other commitments.

The 2010-11 Annual Report sets the stage for the 2012-13 planning and budgeting process by providing an opportunity to assess the accomplishments, results, and lessons learned, and identifying how to build on past successes for the benefit of Saskatchewan people.

Alignment with Government's Direction

The Ministry's activities in 2010-11 align with Government vision and three goals:

Our Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing a high quality of life for all.

Government's Goals

Sustain Economic Growth for the benefit of Saskatchewan People, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.

Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.

Keep Government's Promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Together, all Ministries and agencies support the achievement of Government's three goals and work towards a secure and prosperous Saskatchewan.

Ministry Overview

The Ministry of Government Services manages an extensive portfolio of property and provides centralized support services to Government Ministries and many public agencies. Whether that is providing reliable transportation, finding appropriate office space for public servants to work in, making sure mail reaches its destination, or implementing new telecommunications technology, the Ministry serves the Government. By providing efficient and effective services for day-to-day operations, Government Services supports other Ministries by enabling them to focus on their specific mandates to serve the people of Saskatchewan.

Mandate

The Ministry supports Government program delivery by providing accommodation and property management, transportation services, purchasing, risk management, records management, telecommunications, and mail distribution. Services are delivered by providing good value and by incorporating environmental initiatives through the purchase of fuel efficient vehicles and reduction of the Government's own environmental footprint.

By the Numbers (as of March 31, 2011)

- 734.4 full-time equivalent employees
- Located in 157 communities
- Leases or owns 720 buildings
- Owns approximately 5,000 vehicles
- Operates six aircraft (three in Regina - Executive Air, three in Saskatoon - Air Ambulance)
- Processes 25 million pieces of mail per year
- Stores over 191,000 boxes of Government records
- Tenders approximately $147 million in goods per year
- Manages property with a replacement value of $3.03 billion

Accommodation Services

Accommodation Services provides Government Ministries and agencies with office and program space, working with them to identify and meet their accommodation needs, including:

- *Provincial Planning* – supports Ministries in coordinating program needs with accommodation requirements.
- *Project Coordination* – manages major building projects in the areas of pre-construction, sustainability and energy management, and capital planning.
- *Real Estate* – manages expenditure leases, revenue leases, grants-in-lieu, escalations, property disposals, and reviews Treaty Land Entitlements (TLE) requests for Government-owned land.
- *Infrastructure Support* – provides building maintenance, repairs and renovations in Government-owned and leased buildings.
- *Facility Operations* – provides cleaning services, building maintenance and operations, and construction services.

- *Pricing and Data Management* – assesses long-term building maintenance requirements, develops annual pricing for accommodation services and bills clients, processes payments on expenditure leases, and maintains core data for the division regarding building assets.

- *Water Testing* – provides testing of water for water systems owned and operated by Government Services to ensure water is safe to drink.

Commercial Services

The following centralized services are offered to Government Ministries and agencies:

- *Transportation* – manages vehicles (Central Vehicle Agency) and aircraft (Air Transportation Services).

- *Records Management* – stores Government records in secure archives.

- *Mail Services* – sorts and delivers Government mail.

- *Telecommunications* – manages voice, network, directory, and Priority Access Dialtone services for the Government.

Corporate Support Services

Corporate Support primarily supports and serves the Ministry and its employees in the areas of:

- *Financial Services* – provides services in the areas of accounting and financial processes, budget development, financial reporting, financial consulting, as well as the management, operation and delivery of central administration support, and tenant representative related services.

- *Internal Audit* – reviews internal controls and processes and makes recommendations for improvement.

- *Purchasing* – through a fair, open, and competitive process, the Purchasing Branch coordinates the purchase of goods and some services for Government Ministries, boards, agencies, and commissions, as well as some Crown corporations.

- *Planning and Policy* – provides strategic planning, policy and planning, and business improvement and program development services.

- *Risk Management* – provides investigative services, building security, insurance services, business continuity planning, environmental health and safety expertise, and employee occupational health and safety services.

Progress in 2010-11

Government Goal – Economic Growth

*The Ministry of Government Services supports Government's goal to **Sustain Economic Growth** for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.*

Take steps to deal with office space shortages in Regina. [Minister's Mandate Letter]

Results:

o The current vacancy rate of the Regina downtown real estate office market is less than two per cent which has restricted Government's ability to find program space, significantly lessened the competitiveness in the market, and resulted in increased rental rates. In 2010-11, Government Services committed to leasing 60,000 square feet of office space to support the development of additional space in the Regina market.

Work with the private sector and municipalities to help facilitate local economic development with Government Services Assets. [Minister's Mandate Letter]

Results:

o The Ministry's Purchasing branch tendered for approximately $188 million in goods and services on behalf of Government Ministries in 2010-11. Over the last three years (including 2010-11), approximately 74 per cent of these purchases were sourced in Saskatchewan.

o The Central Vehicle Agency spent approximately $17 million in 2010-11 on fuel and repairs for its fleet. These purchases were sourced almost entirely from suppliers throughout Saskatchewan.

o As at March 31, 2011, the Ministry leases approximately 238,000 square metres of space. In 2010-11, lease payments to private sector suppliers for this space were approximately $49 million.

Contract with the private sector for the procurement and delivery of a wide-range of goods and services for our clients.

• Upgrade information systems to make it easier and less expensive for private sector firms to bid on Government contracts.

Results:

o Under the New West Partnership Agreement, Government Ministries must post their tender opportunities on the Government's tender system by July, 2011. This obligation will be met, as all tender opportunities will be posted on the SaskTenders website within that timeframe. In the longer term, (July 2012) the Government of Saskatchewan is obligated to see that tender opportunities from Crowns, municipalities, academia, schools, and the health sector are posted on the Government's tender system. Government Services is working with these groups to assess their needs and to establish the best system of making certain these tenders are posted. [Minister's Mandate Letter]

o Government Services committed to implementing an Electronic Bid Submission (EBS) system, however, this project has been deferred. It is expected a system will be completed in 16 to 24 months.

- Support economic development opportunities that involve Government-owned property.

Results:

  o Government property is frequently reviewed regarding utilization. Some properties have been identified as under-utilized.

- Modify the current disposal policy to incorporate new land use policy objectives where applicable.

Results:

  o The updated disposal policy no longer gives priority to any specific interested party or group. Everyone is given equal footing and opportunity to purchase one of our declared surplus properties. Highest price offered remains the main decision factor respecting a sale.

Measurement Results:

Level of industry satisfaction when dealing with the Purchasing Branch

Industry satisfaction levels measure the success of the Ministry's strategy to contract with the private sector for the procurement and delivery of a wide-range of goods and services for our clients. Government Services has a responsibility to ensure suppliers have confidence in Government procurement processes. A supplier survey is used to measure supplier satisfaction.

	2010	2007
Level of industry satisfaction when dealing with the Purchasing Branch	90.0%	77.0%

Source: Government Services, Corporate Support Services, Purchasing Branch

The Purchasing Branch surveys its clients to determine satisfaction with its programs and services. Respondents are asked to rate service, value for money and needs met using a five-point scale from "extremely satisfied" to "very unsatisfied."

The next survey is planned for the spring of 2012.

Government Goal – Security

*The Ministry of Government Services supports Government's goal to **Secure** Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.*

Ensure that Government Ministries follow the lead of the Crowns in establishing measurable goals and targets to reduce their environmental footprint and report publicly on their initiatives. [Minister's Mandate Letter]

Results:

- o The Ministry has calculated the carbon footprint for all Ministry owned and operated buildings as well as the vehicle fleet. Waste footprint reporting is being implemented through the integrated office waste recycling program.

Manage the building portfolio to reduce the environmental impact from operations.

- Construct new facilities to LEED certified standards:
  - o Cooper Place
  - o Saskatchewan Disease Control Laboratory
  - o Regina Provincial Correctional Centre

Results:

- o The Regina Provincial Correctional Centre, Saskatchewan Disease Control Laboratory, Cooper Place and the Meadow Lake Courthouse have applications for LEED designations in process.

- Obtain Building Owners and Managers Association (BOMA) Building Environmental Standards (BESt) certification for all core buildings, the industry benchmark for environmental management.
  - o Provincial Courthouse
  - o Royal Museum of Natural History
  - o Sound Stage
  - o Patterson Place
  - o Dunning Place
  - o Government House

Results:

- o Government House achieved BOMA BESt level 2 certification during the year, and re-certification is underway for the Provincial Courthouse in Regina. The Ministry amended its certification plan during the year to focus on 26 core office buildings. Patterson Place and Dunning Place were reprioritized to be certified at a later date. The initial focus was on buildings in Regina. The focus now is on other urban locations, starting with McIntosh Mall in Prince Albert and Sturdy Stone Centre in Saskatoon.

- o The Royal Museum of Natural History and the Sound Stage are not office buildings and therefore do not fall into the category of core office buildings. Certification will not be sought for these two buildings.

- Continue the building Energy Retrofit Program, which is committed to reducing energy use, greenhouse gas emissions, and operating costs in all existing buildings.

Results:

  o The Ministry's Sustainable Building framework focuses on energy, water and waste. The Energy Management Program, which includes Energy Retrofits, historically focused on the larger buildings within the portfolio. The Ministry has identified the prime candidates to reduce energy consumption for lighting and heating system retrofits as the Assiniboia Equipment Storage Building (ESB) and SIAST Wascana Campus.

  o The program now focuses on reducing the environmental impact and operating costs in other building types within the portfolio. With no recent major advances in building technologies that can significantly lead to major reductions in consumption and costs, the Ministry has undertaken demonstration projects to explore the use of emerging new technologies such as LED lights.

  o The SaskEnergy natural gas conversion project in La Ronge is now complete and all buildings are now participating.

- Secure green leases where feasible that incorporate ecologically sustainable principles to reduce the building impact on the environment.

Results:

  o The Ministry will incorporate sustainability clauses that address consumption reporting in its new leases, and lease buildings that demonstrate good sustainability practices, i.e. third party certification.

  o Government Services has existing lease agreements where the buildings have achieved environmental designations without Government Services negotiation for such environmentally friendly standards. The following table shows those buildings as well as the number of leases in the buildings and the total rentable area that Government Services leases in the buildings.

Green Lease Agreements

Designation	Building	Number of Leases	Rentable Area (Square Feet)
BOMA BESt	Tower 1, Regina	2	78,132 sq ft
	Tower 2, Regina	2	5,313 sq ft
	Conexus Tower, Regina	5	47,133 sq ft
	Bank of Montreal, Regina	1	34,768 sq ft
	The Galleria, Saskatoon	3	8,656 sq ft
	Dr. J. McFaull Building, Saskatoon	1	97 sq ft
	112 Research Drive, Saskatoon	1	17,772 sq ft
LEED (Gold)	Prince Albert Forestry Centre	4	26,950 sq ft
LEED (Silver)	2 Research Drive, Regina	1	20,487 sq ft
LEED (new certification)	Crop Insurance Building, Melville	1	56,125 sq ft
		21	295,433 sq ft

Source: Government Services, Accommodation Services, Real Estate Services Branch

- Continue waste management practices for construction, renovation and demolition projects.

Results:

o This is an ongoing practice for all projects. The program takes into consideration the capacity of the local communities and industries to reuse or recycle waste and not send it to the landfill.

- Report on Government-wide environmental performance in the areas of carbon footprint and waste reduction.

Results:

o The Ministry reports the emissions from the owned and operated portfolio and passenger vehicle fleet in the Annual Report.

o In 2010-11 the Ministry introduced a comprehensive Waste Reduction Program. The Ministry is phasing in an Office Recycling program. To date, the program has been introduced in 14 office buildings throughout the province. Results to date indicate 42 per cent less waste by volume was sent to the landfill from these buildings as a result of this initiative.

o The Ministry is currently discussing carbon footprint reporting with the Ministry of Environment and client Ministries that are participating in the voluntary Awareness to Action (A2A) program (discussed below).

- Provide environmental awareness training to encourage waste reduction in Government buildings.
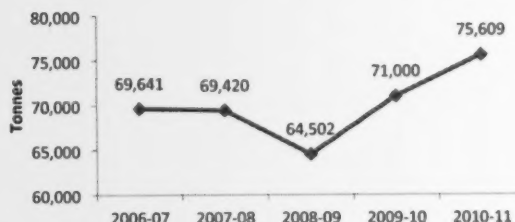
Results:

o The Ministry has introduced the Awareness to Action (A2A) program aimed at raising awareness within client Ministries to encourage "greening Government operations" resulting in reducing environmental impacts and costs. Waste reduction is one component of the A2A program.

Measurement Results:

Building portfolio carbon dioxide (CO_2) emissions

This measure monitors the success of the Ministry's strategy to manage the building portfolio in a manner that reduces the environmental impact of operations. The Energy Retrofit Program, BOMA BESt Certification and LEED Standards are programs that the Ministry has incorporated that cumulatively reduce the CO_2 emissions of the building portfolio.

Source: Government Services, Sustainability and Energy Management Branch

A number of things can result in an increase in CO_2 emissions such as:

- More energy used as a result of weather conditions (warmer or colder seasons)
- Increases in the size of its managed portfolio

In 2010, energy consumption rose as a result of an increase in the size of the managed portfolio (the Regina Provincial Correctional Centre and the Saskatchewan Disease Control Laboratory were in the portfolio the entire year versus only a portion of the previous year).

Continue to ensure that all new vehicles purchased by the province are high fuel efficiency vehicles where workable. [Minister's Mandate Letter]

Results:

o To date, the most cost-effective vehicles (with evaluation of fuel efficiency options) were purchased in each class from pre-qualified manufacturers.

Manage the vehicle fleet to reduce the environmental impact from operations.

- Acquire the most environmentally friendly vehicles in each class considering capital cost and fuel efficiency.

Results:

- o The Central Vehicle Agency (CVA) has prepared a "Fleet Management Framework" that sets out purchasing standards for new vehicles. It identifies environmental and performance characteristics used as purchasing criteria. The objective is to improve vehicle selection – "right-size" vehicles (match a task's duty requirements to the most appropriate vehicle) and optimize the fleet (managing the fleet to achieve a more efficient fleet size with the right mix of vehicles).

- o A "right-sizing" guide has been prepared to provide support to CVA's clients and staff in making vehicle replacement and right-sizing decisions.

- o The Ministry's fleet contains 35 hybrid vehicles and 5 Smart cars. [Minister's Mandate Letter]

- Evaluate the potential for the use of 85 per cent ethanol and 15 per cent gasoline (E85) fuel which has a higher octane level thereby reducing the carbon footprint of vehicles.

Results:

- o The feasibility study indicated the infrastructure costs were too high, making a demonstration project impractical.

- Establish and report Government-wide environmental performance carbon footprint indicators for Ministries.

Results:

- o The Ministry has calculated the carbon footprint for its client Ministries, and is currently discussing reporting format with those Ministries for accommodations and transportation.

- Develop and implement a communication/education strategy on ways to reduce fuel consumption, including an anti-idling campaign, and increase awareness of initiatives to green the vehicle fleet.

Results:

- o The Fleet Management Framework developed by CVA includes a communication and education strategy on ways to reduce fuel consumption.
    - A "Driver Awareness and Training Program" is included in the framework. The program will focus on factors that drivers can substantially control and have an impact on fuel economy. The program will be given in partnership with the Saskatchewan Safety Council Training (in-person) and the Canadian Safety Council Training (online).
    - CVA has implemented an anti-idling program as part of the "Driver Awareness and Training Program".
    - Maintenance on vehicles is required in accordance with the standards set out for semi-annual safety inspections in the CVA Operator's Handbook.

Measurement Results:

Passenger vehicle fleet average fuel efficiency

Average fuel efficiency measures the success of the Ministry's strategy to manage the vehicle fleet to reduce the environmental impact of operations. Vehicles are a significant source of pollution. Vehicle efficiency can be measured based on the amount of fuel used by the fleet. As the Ministry takes steps to make its fleet more environmentally friendly, fuel efficiency will improve. Many factors affect fuel efficiency including vehicle types, vehicle use and driver behaviour.

Average CO_2 emissions per passenger vehicle

The table shows the average CO_2 emission levels per passenger vehicle decreased in 2010-11. This resulted from vehicles traveling fewer kilometres on average than the previous year. Every litre of fuel burned releases approximately 2.32 kilograms of carbon dioxide.
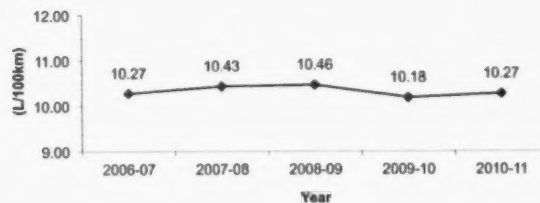
Source: Government Services, Central Vehicle Agency
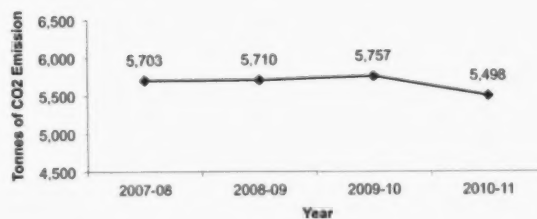
Source: Government Services, Central Vehicle Agency

Note – CO2 emission levels were adjusted from previous years based on the availability of more accurate data.

Government Goal – Promises

The Ministry of Government Services supports Government's goal to keep Government's Promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Manage the infrastructure assets in a sustainable manner to support client-ministry program delivery.

- Continue implementation of the Ministry's multi-year sustainability strategy for Government owned/leased buildings.

Results:

- o A list of core Government facilities is maintained to prioritize funding.

- o Facility Condition Index (FCI) measurements are used to monitor building condition (see page 20).

- o Full building assessments are conducted on a five-year rotation. Government Services targeted a total of 74 buildings to have condition assessments completed for the 2010-11 fiscal year. The Ministry exceeded this goal, completing building assessments on a total of 112 buildings during the 2010-11 fiscal year.

In an effort to work with clients to optimize their space utilization, the following planning and space standards work was conducted over the past year: [Minister's Mandate Letter]

- o Review of Pine Grove Adult Corrections Program

  A feasibility study was completed for the Pine Grove facility identifying a number of projects to upgrade existing program space, including an expansion to the facility to address the ongoing severe overcrowding problem. A 30-bed facility was announced in the 2011-12 budget.

- o Court design for Saskatoon Queens Bench Court House

  Detailed design is continuing for the proposed addition and renovations to accommodate the Family Law Division at the Queen's Bench Court House in Saskatoon. The project is proceeding into the next year.

- o Court design for La Ronge Court House

  Design plan and scope development for the proposed new Queen's Bench/ Provincial Court House in La Ronge is complete.

- o Courts facility reviews and updating for all Provincial Court facilities and circuit court

  The Court Facilities/Security Committee conducts ongoing, annual reviews which supplement the information required for priority capital projects put forward for funding approval.

- o Draft facilities space standards for SIAST program facilities

  Research and preliminary space standards were proposed to SIAST and the Ministry of Advanced Education, Employment and Immigration. Further development and work on this initiative is ongoing with these clients.

o The Ministry of Highways and Infrastructure's Equipment Storage Building projections for additions to existing facilities and associated design requirements

The Ministry of Highways and Infrastructure provides an annual itemized list of priority locations for development to properly prepare for upcoming project delivery once funding is confirmed.

o Draft office space standards for general-purpose office space

The standard of 18.6 useable m2 per full-time equivalent staff (FTE) has been approved by Treasury Board. Government Services has completed its baseline measure of all Ministries. The overall average is 24 m2 per full-time equivalent (FTE). Over the next four years, Government Services is seeking out opportunities with vacated blocks of space and lease expiries to reduce Government's utilization of office space.

The Ministry identified long-term program and space requirements in consultation with clients:

Justice and Attorney General

o Planning for security enhancements and associated renovations to court facilities in Swift Current, Regina, and other various locations:

- Construction of the Meadow Lake Court House was completed.
- Four new holding cells were constructed in the Prince Albert Provincial Court House.
- Minor base building upgrades in the Court of Queen's Bench Court House in Prince Albert were undertaken.

o Review of facility condition and program needs for core court facilities and the plan to address priority needs:

Ongoing annual review activity of the Court Facilities / Security Committee, which supplements the information required for priority capital projects, put forward a request for funding approval.

Corrections, Public Safety and Policing

o Planning underway for new adult correctional facilities in Saskatoon

Preliminary planning work was undertaken for the construction of the Remand Centre at the Saskatoon Provincial Correctional Centre. This project is now deferred.

o Review of the portfolio facility condition and program needs for core facilities and the plan to address priority needs

This is an ongoing annual review of the CPSP Capital Plan Steering Committee involving Government Services and CPSP, which supplements the information required for priority capital projects put forward for funding approval.

SIAST

o Planning for new space accommodations for the nursing program expansion at Wascana Parkway (Regina) and Kelsey (Saskatoon)

Planning and project execution under the federally funded Knowledge Infrastructure Program (KIP) for Wascana Parkway (Regina) was complete in 2010-11. Work was undertaken under the KIP for the E.A. Davies Building, (located on SIAST Kelsey Campus) in Saskatoon with completion scheduled in 2011-2012.

o Participation in master planning work for the Kelsey Campus and associated strategic planning work to accommodate anticipated program needs

The E.A. Davies Building on the SIAST Kelsey Campus was upgraded under the Knowledge Infrastructure Program (KIP) funding in 2010-11. Planning was started on further development of the Kelsey Campus in 2010-11 and will be completed in 2011-2012.

- Review property utilization and dispose of under-utilized properties.

Results:

o Government Services compiled a list of properties that are surplus to the needs of Executive Government. In 2010-11, Real Estate Services sold or had removed eleven of these properties.

- Continue building maintenance work to bring the Facility Condition Index (FCI) down to 10 per cent by 2018.

Results:

o The FCI of Government buildings maintained by Government Services was 10.9 per cent in July 2010.

Government Services worked with client Ministries to construct and upgrade major facilities needed to deliver programming, including:

- $0.5 million for construction of the Saskatchewan Disease Control Laboratory. The project is complete and occupied at a total project cost of $55.5 million.
- $21.2 million to repair, construct and purchase SIAST facilities.
- $4.5 million for security enhancements and renovations for court facilities.
- $4.3 million to complete construction of the Meadow Lake Court House.
- $1.5 million in security and safety upgrades in secure facilities.

The Ministry updated the capital plan for core facilities based on a priority rating system:

Region/Building	Planned Project Work	Phase of Project
Flemming		
Visitor Reception Centre	Roadway and parking upgrade	Complete
Meadow Lake		
Provincial Office Building	Retrofit	Design
Moose Jaw		
Valley View Centre	Asbestos Inventory	50 per cent complete
SIAST Palliser	Asbestos Inventory	Complete

Region/Building	Planned Project Work	Phase of Project
Regina		
Legislative Building	Repointing and envelope repairs	Investigative phase complete
Walter Scott Building	Rehabilitation	Phase 1&2 (of 6) completed; phase 3 – 80 per cent, phase 4 – 80 per cent, phase 5 is designed
Disease Control Lab	LEED certification and commissioning	95 per cent complete
Provincial Lab	Redevelopment	Design
Correction Center	Code upgrades	Design
Wascana Centre	Infrastructure repairs	Design
Gemini Warehouse	Assessment prior to purchase	Complete

The following buildings were upgraded for accessibility:

North Battleford		
Kramer Place	Building renewal	50 per cent complete
Weyburn		
Courthouse	Elevator installation	80 per cent complete
Yorkton		
Kuziak Building	Washroom upgrades	Complete
Prince Albert		
Queen's Bench Court	Washroom upgrades	Complete
Correction Centre	Washroom upgrades	Complete
Moose Jaw		
W.G. Davies Building	Washroom upgrades	Complete
Saskatoon		
E.A. Davies Building	Washroom upgrades	Complete
Sturdy Stone Centre	Elevator upgrades	80 per cent complete
SIAST Kelsey Campus	Elevator upgrades	Design
Regina		
T.C. Douglas Building	Elevator upgrades	Complete

- Review the vehicle fleet size, utilization and make-up to ensure it is meeting Government's needs.

Results:

- o There were three main strategies undertaken in the year to review the fleet size, utilization and make-up to ensure it is meeting Government's needs:

  1. The number of vehicles in the fleet was reduced from 5,500 to 4,800.

  2. CVA has undertaken a right-sizing pilot project within Government Services to assess the fleet as a whole as well as individual vehicles. The project identified 15 per cent of the fleet that could be retired or returned to CVA, and also identified a further 15 per cent to undergo a right-sizing exercise.

  3. Over the next two years, CVA will be undertaking a right-sizing exercise across Government including all GRF clients. It anticipates a 10 per cent reduction in the fleet. [Minister's Mandate Letter]

- Develop and implement a strategy to extend the service life of the fleet.

Results:

- o Government has increased the lifecycle of vehicles to 300,000 kilometers or 14 years. The Fleet Management Framework increases emphasis on vehicle maintenance and inspection.

- o A consulting study to be conducted in 2011-12 is charged with recommending the best age distribution of the fleet, in order to minimize the cost to Government as a whole.

Measurement Results:

Deferred Maintenance to Replacement Value Ratio

Government Services must ensure buildings are kept in good condition to meet program needs and safety requirements. An industry accepted standard used by most jurisdictions for measuring individual building condition is the Facility Condition Index (FCI). FCI is a comparative indicator of the relative condition of facilities, expressed as a ratio of the cost of maintenance, repair, and replacement deficiencies of a facility to the current replacement value of the building. The higher the FCI, the worse condition the building is in relative to the replacement cost.

Industry standards indicate that a building with an FCI of less than five per cent is in good condition, five to ten per cent is fair, ten to thirty per cent is poor and above thirty per cent indicates that a building is in critical condition.
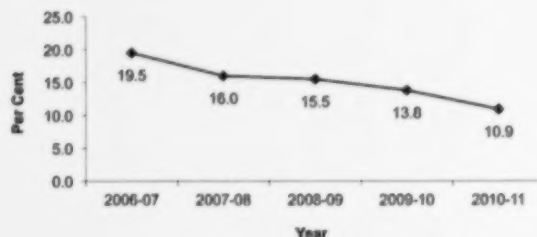

Source: Government Services, Accommodations Division

Average annual distance traveled per Government vehicle

The average annual distance traveled by Government vehicles measures the success of the Ministry's strategy to manage the infrastructure assets in a sustainable manner to support client program delivery.

The average annual number of kilometers traveled per vehicle in the Central Vehicle Agency (CVA) fleet is an indication of the extent to which the vehicles are needed and used by Government Ministries and agencies. A low number of kilometers traveled per vehicle might suggest under-utilization, while a high number of kilometers might suggest more vehicles are required.
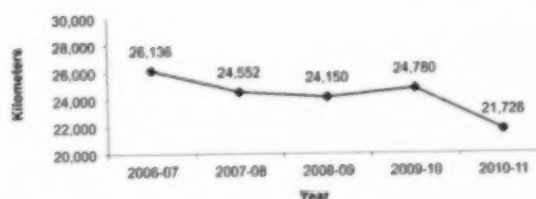
Source: Government Services, Central Vehicle Agency

Improve the effectiveness and efficiency of the Ministry's programs and services so as to ensure the best use of public funds.

- Implement a management practice of assessment and continuous improvement to ensure a robust, objective, and multi-year assessment function.

Results:

- o The Ministry continues to conduct program reviews. A review of the Asset Disposal program took place in 2010-11. As well, the LEAN methodology is being applied to a number of Ministry processes to support continuous improvement.

- Implement recommendations from completed program reviews.

Results:

- o The Ministry has implemented recommendations from completed program reviews in the areas of the Central Vehicle Agency and Relocation Services.

- Identify areas that could benefit from process improvement and adopt the GO LEAN methodology.

Results:

- o During the year LEAN principles and tools were introduced into the culture of Government Services. The Lean work in Government Services began with hiring a consultant to assist the Ministry in implementing Lean. The activities to date included training Government Services' staff in Lean thinking and application of the tools. The activities also included identifying a number of possible processes and selecting five from those identified.

- o Teams were formed and led by Ministry staff. The teams have established process metrics, Value Stream Maps, and identified the future state of the process (how they will look in the future). Process improvement activities (Kaizens) have been completed and more are being planned.

- Implement a new CVA fleet credit card system for vehicle expense and to purchase fuel.

Results:

o A contract for a Fleet Fuel Card Program was negotiated and signed with a vendor. The vendor was selected through a competitive request for proposals.

o Implementation was initiated with a pilot group of approximately 300 vehicles. Credit cards with driver PIN security were received for the pilot group from the vendor. Distribution of these cards began in May, 2011. Following evaluation of the cards within the pilot group, full implementation will occur during 2011-12.

Manage the Ministry's risks to ensure continued support for client Ministry program delivery.

- Continue to manage Government building related risks in the areas of asbestos, air quality, fire suppression systems and safety of water systems.

Results:

o Several projects took place in the year to reduce the risk related to asbestos, air quality and fire suppression:

- Asbestos inventory projects were completed at three facilities (SIAST Palliser Campus, SIAST Kelsey Campus and Valley View Centre).

- Asbestos abatement projects were completed at six facilities: Regina Men's Correctional Centre, Lloyd Place, Regina Provincial Courthouse, Kuziak Building, Government House, and Fort Qu'Appelle Fish Culture Station.

- Loss inspections on ten high value/key facilities were completed with a focus on inspection fire suppression systems.

- Risk Management Services completed air quality testing in twenty-five facilities, and continues to work closely with tenants to address all air quality issues.

Key Action:

- Require vehicle safety inspections and communicate appropriate vehicle maintenance practices to CVA vehicle operators to ensure driver safety.

Results:

o CVA policies require vehicles to be inspected twice yearly. CVA works closely with Ministries to ensure these inspections occur in a timely manner.

2010-11 Financial Overview

Most of the Ministry's programs operate on the principles of shared services and net budgeting, which are set out in legislation in *The Financial Administration Act*, 1993. The Act allows for Ministries to provide shared services to other Ministries and to charge those Ministries for the costs of those services.

The cost of shared services is allocated to Ministries and is described as an internal recovery because the Ministries receiving those services are internal to the General Revenue Fund (GRF). Essentially, Government Services charges Ministries for accommodation, transportation and other services provided to them. These charges are reflected in the financial results for the respective Ministry client.

The Act also allows net budgeting for commercial activities provided by a Ministry to organizations that are outside of executive Government. The provision of services and recovery of the cost of those services from agencies external to the GRF are defined as commercial activities. The fees charged for these services are described as external recoveries. Government Services charges a recovery fee (price) for those services.

Following the Ministry's pricing principle of cost recovery, the expenses of Government Services' Central Management and Services subvote are allocated to program subvotes and those costs are reflected in the full cost recovery rate structure. Some other costs are appropriated and not recovered through charges to Ministries, such as:

- Operation of the Purchasing Branch
- Operations and Maintenance of the Legislative Assembly
- Environmental Sustainability Investments
- Wind Energy
- Telecommunications' administration costs

The Ministry's 2010-11 expenditure budget (appropriation) was $25 million, including $12.5 million for capital asset acquisitions.

In addition to appropriated funds, the Ministry's funding also included recovery of costs related to shared services and net budgeting. In total, the Ministry's budgeted funding was $266.7 million, summarized as:

2010-11 Funding	(In thousands of dollars)	
	Budget	Actual
Total Appropriation	25,020	23,540
Costs Allocated to Ministries	168,861	183,751
Costs Charged to External Clients	72,832	83,789
Total	266,713	291,080

Actual funding totalled $291.1 million; a variance of $24.4 million compared to budget. Results by subvote and program area are summarized in subsequent pages of the annual report. Detailed payee information will be published in Public Accounts 2010-11 - Volume 2.

In 2010-11, Government Service's full time equivalent (FTE) budget was 756.2 FTEs and the actual utilization was 734.4 FTEs. The variance occurred as a result of vacancies during the year and the lower utilization contributed to overall financial savings for the Ministry compared to budget.

2010 - 11 Financial Results

The following tables outline information on actual and budgeted results by subvote and programs, including recoveries, expenses and capital asset spending. Capital asset spending includes amounts spent on capital acquisitions on behalf of other Ministries for which the Ministry of Government Services recovered the expenditures. The tables also identify the amounts allocated to Ministries as internal recoveries and amounts charged to clients external to the GRF. Explanations are provided for significant variances.

Summary of Appropriation and Expense	(in thousands of dollars)		
	Budget	Actual	Variance
Central Management and Services (GS01)	45	44	(1)
Accommodation Services (GS02)	10,146	8,414	(1,732)
Purchasing (GS04)	1,875	1,664	(211)
Transportation Services (GS05)	–	989	989
Government Services (GS06)	406	(60)	(466)
Major Capital Asset Acquisitions (GS07)	12,548	14,340	1,792
Total Appropriation and Shared Services Activity	**25,020**	**25,391**	**371**
Capital Assets Acquisitions	(12,548)	(14,340)	(1,792)
Commercial Activity Deficit	–	(79)	(79)
Total Expense	**12,472**	**10,972**	**(1,500)**

Central Management and Services (GS01)	(in thousands of dollars)			
	Budget	Actual	Variance	Notes
Minister's Salary (Statutory)	45	45	–	–
Executive Management	782	628	(154)	1
Central Services	7,266	6,327	(939)	2
Accommodation Services	643	303	(340)	3
Allocated to Services Subvotes	(8,691)	(7,259)	1,432	4
	45	**44**	**(1)**	

	(In thousands of dollars)			
Accommodation Services (GS02)	**Budget**	**Actual**	**Variance**	**Notes**
Operations and Maintenance of Property	144,923	147,397	2,474	5
Accommodation Costs Incurred on Behalf of the Legislative Assembly	3,151	3,151	–	
Program Delivery and Client Services	18,609	16,922	(1,687)	6
Wind Energy	320	320	–	
Environmental Sustainability Investments	2,112	2,210	98	7
Accommodation Allocated to Ministries	(116,436)	(116,281)	155	8
Accommodation Charged to External Clients	(42,533)	(45,305)	(2,772)	8
	10,146	**8,414**	**(1,732)**	

	(In thousands of dollars)			
Project Management (GS03)	**Budget**	**Actual**	**Variance**	**Notes**
Saskatchewan Disease Control Laboratory	–	465	465	9
Courthouses	2,500	4,291	1,791	10
SIAST Buildings	6,180	8,972	2,792	11
Other	6,596	17,624	11,028	12
Project Management Allocated to Ministries	(9,096)	(19,459)	(10,363)	13
Project Management Charged to External Clients	(6,180)	(11,893)	(5,713)	13
	–	**–**	**–**	

	(In thousands of dollars)			
Purchasing (GS04)	**Budget**	**Actual**	**Variance**	**Notes**
Purchasing	1,875	1,664	(211)	14
	1,875	**1,664**	**(211)**	

Transportation Services (GS05)	(In thousands of dollars)			
	Budget	Actual	Variance	Notes
Vehicle Services	34,367	37,504	3,137	15
Air Services	9,385	9,830	445	16
Transportation Services Allocated to Ministries	(26,903)	(28,462)	(1,559)	17
Transportation Services Charged to External Clients	(16,849)	(17,883)	(1,034)	17
	–	989	989	

Government Support Services (GS06)	(In thousands of dollars)			
	Budget	Actual	Variance	Notes
Mail Services	12,701	12,738	37	
Telecommunications Services	11,206	14,837	3,631	18
Other Services	195	622	427	19
Government Support Services Allocated to Ministries	(16,426)	(19,549)	(3,123)	20
Government Support Services Charged to External Clients	(7,270)	(8,708)	(1,438)	20
	406	(60)	(466)	

Major Capital Assets (GS07)	(In thousands of dollars)			
	Budget	Actual	Variance	Notes
Land, Buildings and Improvements	9,817	11,833	2,016	21
Machinery and Equipment	2,731	2,507	(224)	22
	12,548	14,340	1,792	

Explanation of variances larger than $50,000

1. The variance reflects salary and other cost savings for the Minister's and Deputy Minister's Offices.

2. Central Services' variance is primarily due to salary savings as a result of vacancies during the year.

3. Accommodation costs were less than budget due to the lease of some of the Ministry's head office space to another Ministry.

4. Costs from this subvote were allocated to other subvotes with commercial activity.

5. The variance is mainly due to an accounting adjustment to reflect a shorter useful life of a capital lease asset.

6. Expense savings relate to salaries due to vacancies during the year and less than anticipated spending on professional service fees.

7. Some environmental sustainability projects were accelerated in order to coincide with other maintenance projects which were carried out simultaneously.

8. Recoveries allocated to Ministries and charged to external clients combined were over budget by $2.6 million.

9. The Saskatchewan Disease Control Laboratory project included some deficiency costs in 2010-11.

10. The Meadow Lake Courthouse project was completed in 2010-11.

11. SIAST Buildings consisted of several projects, some of which were not known to the Ministry during budget development.

12. Other client projects related to equipment storage buildings, office tenant improvements, and other miscellaneous projects. Some of these projects were not known to the Ministry during budget development.

13. Increased client demand for construction projects resulted in higher recoveries overall.

14. Purchasing Branch's variance is primarily due to salary savings as a result of vacancies during the year.

15. Vehicle fleet operations experienced higher amortization expenses than anticipated as the transfer of ownership of vehicles to CBOs occurred later than planned. Also, increased vehicle maintenance and repairs occurred during the year.

16. Decreased demand in Executive Air resulted in cost savings in operating expenses and amortization. Air Ambulance experienced higher than anticipated repair costs due to significant repairs required for an aircraft, as well as a loss on the disposal of aircraft engines which were damaged in a runway incident. These costs offset the savings in Executive Air.

17. Higher operating and amortization expenses were passed through to Central Vehicle Agency clients.

18. The variance reflects additional clients and higher volumes for Telecommunications.

19. Includes costs for the Employee Relocation Program and Investigative Services. Although the Employee Relocation Program ceased its operations during the year, it did operate for longer than anticipated, resulting in costs in excess of the budget.

20. Higher volumes than anticipated for telecommunications services.

21. Capital expenditures on land, buildings, and improvements were higher than budget due to a change in the accounting treatment of a project from expense to capital.

22. Machinery and equipment expenditures were lower than budget primarily due to less spending on aircraft equipment as planned.

2010-11 Revenues

The majority of the revenue collected by the Ministry related to the provision of commercial activities. The following table outlines information on actual and budgeted revenues deposited into the GRF.

	(In thousands of dollars)			
	Budget	Actual	Variance	Notes
Transfer from Government Entities Other Own-source Revenue				
Sales, services and service fees	–	113	113	1
Other	–	2,781	2,781	2
Commercial Operations	–	83,789	83,789	3
Total	–	86,683	86,683	

Explanation of major variances:

1. The majority of the revenue from sales, services and service fees was obtained from the sale of previously expensed assets.

2. The majority of "Other" revenue consisted of refunds of previous years' expenses, reimbursements and refunds. These rebates and refunds are accounted for as GRF revenue.

3. Commercial operations revenue is received from clients that are external to the GRF.

For More Information

For general information about Government Services, please visit www.gs.gov.sk.ca.

Other important websites:

www.sasktenders.gov.sk.ca

www.sasksurplus.ca
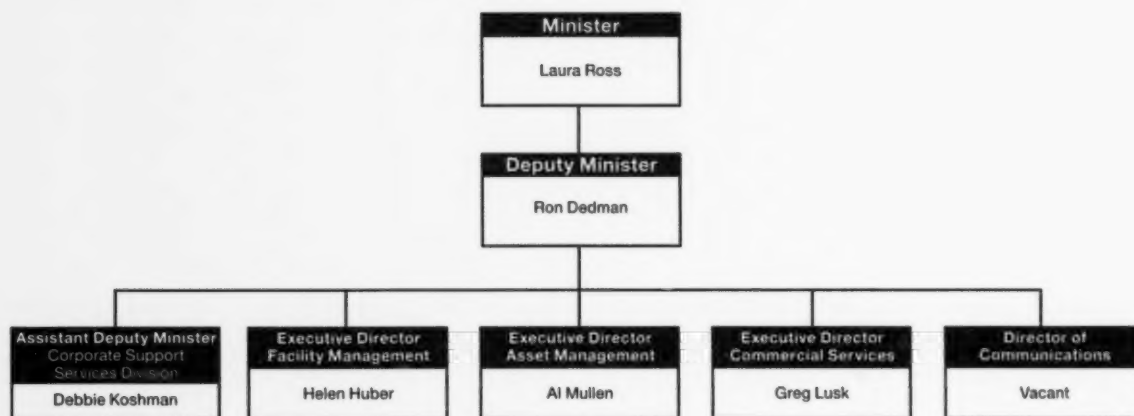
www.sasksupplies.com

www.communitydonations.ca

For more information about the Government of Saskatchewan, please visit www.gov.sk.ca.

For specific enquiries related to this report, please contact:

Ministry of Government Services
Communications
1920 Rose Street
Regina, SK S4P 0A9
Phone: (306) 787-5959
Fax: (306) 787-8582

Appendix A - Organizational Chart

Minister
Laura Ross

Deputy Minister
Ron Dedman

Assistant Deputy Minister
Corporate Support
Services Division
Debbie Koshman

Executive Director
Facility Management
Helen Huber

Executive Director
Asset Management
Al Mullen

Executive Director
Commercial Services
Greg Lusk

Director of
Communications
Vacant

Appendix B - Key Pieces of Legislation

Key pieces of legislation for which Government Services is responsible:

- *The Public Works and Services Act*
- *The Purchasing Act, 2004 and the Purchasing Regulations*
- *The Architects Act*
- *The Interior Designers Act*